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June 8, 1971

Dr. Henry A. Kissinger
The White House
Washington, D. C. 20500

Dear Henry:

In thinking over our meeting with the President, I am not sure that we fully acknowledged the importance of the Shultz Report and while I strongly support the recommendations of the PFIAB, I feel that the President should be aware of our careful consideration and appreciation of that Report.

Accordingly, will you please transmit the enclosed letter addressed to the President on my behalf.

Many thanks and with warmest regards,

Sincerely,

Frank

Franklin B. Lincoln, Jr.

Enclosure

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June 8, 1971

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

I am writing this note because I feel strongly that action must be taken to improve the quality and at the same time reduce the cost of intelligence commensurate with the national security of the United States.

First, let me state that the report which your Board presented was, in fact, the work of all members of that Board--it was not merely a staff paper.

Second, the Shultz Report was well-staffed, well-reasoned and has focused attention on the cost of intelligence as well as the quality of the product.

Third, you know, Mr. President, this is one of the most elusive areas of the Federal Budget. The problems which confront us today were very much in evidence when

I was an Assistant Secretary of Defense in charge of the

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Defense Budget and Schlesinger was in the Bureau of the Budget. His knowledge and expertise in this area are evident in the Shultz Report. In fact, the Shultz Report has been of inestimable assistance to us in formulating our recommendations.

Fourth, I am confident that the first two options set forth in the Shultz Report requiring legislation are not being seriously pressed at this time for reasons well known to everyone. The third option creating a "White House Czar" on intelligence is tempting; however, your Board feels that this would be a mistake.

Fifth, careful study of the present intelligence organization indicates clearly that the main ingredients lacking in the system are that the end users do not actively participate in the over-all product planning and there is no over-all budget control.


It is for this reason that we have suggested that a Board, which includes the users, be the policy making body rather than an individual. We have further separated the functions of this Board into two committees, one dealing with the resources of the Community and the other with the product. The advantages of our proposal are that it will bring all elements of the Community into the intelligence process and it can be accomplished without legislative action.

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Sixth, we do not overlook the importance of financial control emphasized by the Shultz Report. We feel strongly that cost reduction in some areas is essential if we are to meet the increased costs in new and pressing areas of intelligence. It is for this reason that we suggest first the preparation of a consolidated intelligence budget and the transmittal of that budget to the President through the Office of Management and Budget.

I hope the foregoing comments will be helpful as you consider the various proposals. One thing is certain--we all have a common goal!

Respectfully,



Franklin B. Lincoln, Jr.

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MEMORANDUM FOR THE DIRECTOR
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I am forwarding FYI a copy of a letter
sent to Frank for information.

P. J.
P. J.

15 June 1971
(DATE)

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